

CALIFORNIA VALLEY COMMUNITY SERVICES DISTRICT

Synopsis

The 2003/2004 San Luis Obispo County Grand Jury received several complaints from citizens of California Valley regarding the operations of the California Valley Community Services District (CVCSD) Board of Directors. The Grand Jury examined the complaints, interviewed several witnesses and reviewed the history of other complaints that had been previously submitted to prior grand juries. After careful consideration, the Grand Jury determined that insufficient evidence existed for an investigative report, and instead chose to prepare an informational report to draw attention to the grievances submitted by the complainants.

Origin of the Inquiry

The complaints submitted to the Grand Jury stated that the CVCSD Board of Directors did not conform to Brown Act meeting notification requirements or follow appropriate procedures in handling citizen complaints. In addition, the complainants submitted to the Grand Jury a petition signed by 73 CVCSD residents requesting that we help them obtain the following amenities:

1. A gas station,
2. A clinic with doctors once a week,
3. Transportation into town two or three times a week,
4. A mercantile or convenience store, and
5. A water purification system for the entire valley.

Other comments submitted by the residents included unpaved roads in the district area and the lack of garbage collection.

Authority for the Inquiry

California Penal Code § 933.5 authorizes the Grand Jury to investigate operations of a special legislative district such as the CVCSD.

Method

Six members of the Grand Jury traveled to California Valley on Monday, February 16, 2004 for an informal meeting with the original complainant and several other subsequent

complainants. In addition, the Grand Jury interviewed the County District Five Supervisor, the County Health Director, the County Director of Public Works, and the County Auditor/Controller. Grand Jurors also reviewed reports from previous Grand Jury investigations of the CVCSD.

Setting

The CVCSD is established as a community services district under the provisions of section 61000 et seq. of the California Government Code. The district is governed by a five-member board of directors elected at large to four-year overlapping terms. The district has an annual operating budget of approximately \$400,000 and is responsible for provision of basic services, including refuse collection.

The district board hires a general manager to administer and oversee the efficient and effective provision of these services. During the 2003-2004 fiscal year a large amount of the district's general fund reserves was determined to be missing. After a brief investigation, the County District Attorney's Office filed charges of embezzlement against the general manager, who pled guilty to the charges. Although the mystery of the missing funds has been solved, the fact remains that the district's general fund reserves have been severely depleted, leaving the board with insufficient money to continue to provide several services, including refuse collection, to its residents.

The County Health Director advised the Grand Jury that the CVCSD, per their charter, has the responsibility for garbage collection in the district area. The County Public Works Director advised the Grand Jury that the unpaved roads listed in the citizen complaints are CVCSD roads and, therefore, cannot be paved or maintained by the county. The County Fifth District Supervisor affirmed that the CVCSD is responsible for basic service delivery to the area, and advised the Grand Jury that the county does not have sufficient resources to provide the other services and amenities that California Valley citizens expect.

The Grand Jury found that CVCSD residents have previously submitted complaints about the CVCSD Board of Directors to past grand juries. For example, the 1999-2000 Grand Jury found a history of inefficient and inappropriate operation of the district's organization and service delivery.

Conclusions

This Grand Jury attempted to assist the residents of the CVCSD in resolving their complaints and requests. However, the Grand Jury did not find any evidence of specific Brown Act violations by the CVCSD Board of Directors. Further, the services and needs detailed by the residents were beyond the jurisdictional reach of the Grand Jury and the county.

In their report, the 1999-2000 Grand Jury stated that, "...the CVCSD has a history of inefficient and inappropriate operation." The report then emphasized that:

Ultimately, voter participation is the only effective oversight for the CVCSD. The effectiveness and responsiveness of the board of Directors are directly related to the attendance and awareness of the electorate. The Grand Jury urges constituents of the District to keep this in mind and to become aware of, and involved in, the activities of their District.

This Grand Jury concurs with those conclusions.

Many of the issues in California Valley must be solved by the residents and their Board of Directors. These issues would be costly to address and may well be beyond the ability of the board to implement. Prioritization is even more important due to the district's unfortunate financial situation. The district has the authority under the California Government Code to levy the necessary tax assessments to fund the district's operations, and must take the responsibility to do so.

Suggested Actions

Under Penal Code § 933.05, the CVCSD was required to respond to the aforementioned recommendations and findings of the 1999/2000 Grand Jury Final Report. This Grand Jury did not find evidence that such response was ever completed and submitted.

Accordingly, this Grand Jury recommends that the County Counsel advise the CVCSD Board of Directors that their response to the 1999/2000 Grand Jury Final Report must be submitted to the Superior Court within 90 days of issuance of this report.

The problems that were brought to this Grand Jury must be solved by the CVCSD. The Grand Jury recognizes the district's financial condition and understands that the resident's complaints and demands cannot be addressed or implemented overnight. The Grand Jury contends that the Board of Directors must make a concerted effort to conscientiously address each of these matters in a timely manner. Accordingly, the Grand Jury also recommends that the CVCSD immediately contact the California Special Districts Association for any applicable assistance, training and technical support to prepare and implement a long-term program to address the issues raised by the residents.

If such a long-term program cannot be implemented successfully on a timely basis due to financial, realistic or other considerations, the Grand Jury recommends that the residents of the CVCSD service area seriously consider disbanding the district. Under such a dissolution, service delivery responsibility would revert to the county, and the District's Board of Directors would be replaced by the County Board of Supervisors.

Required Response

This is an informational report. No formal response to the 2003-2004 Grand Jury report is required from any agency.